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RUEHAD/AMEMBASSY ABU DHABI PRIORITY 2555
RUEHAS/AMEMBASSY ALGIERS PRIORITY 9269
RUEHAM/AMEMBASSY AMMAN PRIORITY 2625
RUEHAK/AMEMBASSY ANKARA PRIORITY 3358
RUEHLB/AMEMBASSY BEIRUT PRIORITY 2587
RUEHEG/AMEMBASSY CAIRO PRIORITY 0560
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 3319
RUEHLO/AMEMBASSY LONDON PRIORITY 0192
RUEHFR/AMEMBASSY PARIS PRIORITY 0657
RUEHRB/AMEMBASSY RABAT PRIORITY 7252
RUEHRO/AMEMBASSY ROME PRIORITY 4674
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RUEHTU/AMEMBASSY TUNIS PRIORITY 3751
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RUEHJM/AMCONSUL JERUSALEM PRIORITY 7580
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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
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UNCLAS TEL AVIV 002409

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXO
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key Stories in the Media:

Ha'aretz headlined that PM Olmert is considering a proposal to transfer an area equivalent to 100% of the territory occupied in 1967 to the Palestinians as a basis for their state. Israel is also

considering trading settlements in the West Bank for Arab communities within Israel if agreed to by their residents. The plan was suggested to PM Olmert by President Shimon Peres. The office of the PM issued a statement denying any such plans.

All media reported that the Monday meeting between PM Olmert and PA Chairman Abbas in Jericho had a good atmosphere and that the delegations discussed all issues. The media reported that Chairman Abbas asked PM Olmert to release more Palestinian prisoners and to remove additional names from Israel's wanted lists. PM Olmert told Chairman Abbas that he will take this under consideration. Olmert was quoted as saying that the joint vision is two countries side by side.

Three thousand security personnel were involved in the removal of protestors and settlers from the wholesale market in Hebron on Tuesday morning. Israel Radio reported that during the evacuation dozens of teenagers stood on roofs of the market throwing rocks, eggs, and light bulbs at the security forces. The Radio reported that according to police reports 13 security officials and 13 activists were wounded.

Media reported that on Monday, twelve IDF soldiers refused orders to take part in the Hebron operation in the most wide-scale military refusal since the Gaza disengagement. The soldiers were brought before a disciplinary and were banned from participating in battle missions.

Israel Radio reported that a Qassam rocket fired at Israel fell short and killed two Palestinian children and wounded five more. The media reported that a Qassam rocket landed in Sderot on Monday, no casualties or damage was reported.

Ha'aretz quoted a senior Israeli official as saying that negotiations with Hamas on the release of captured IDF soldier Gilad Shalit were revived last week with Egyptian mediation.

Leading media reported that the Winograd Committee will allow those who may be damaged by its conclusions to appear before it to defend themselves.

Ha'aretz Internet web-site quoted State Department's special envoy for Holocaust issues as saying that the section of the site devoted to background notes on Germany would be altered following a protest from The Simon Wiesenthal Center which claimed that key information on the Holocaust was omitted.

Ha'aretz quoted Norwegian Foreign Minister Jonas Gahr Store as saying in a meeting with President Peres that Norway has broken all of its ties with Hamas.

Mideast:

Summary:

Senior veteran columnist Yoel Marcus wrote in the independent, left-leaning Ha'aretz: "A conference that intends to discuss a permanent agreement has to prepare everything in advance, down to the last detail.... Is the current government of Israel prepared for the Bush conference?"

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post: "The US needs a regional meeting in November no less, and probably far more, than either the Israelis or the Palestinians. The US needs this meeting to show the Iranians that there is a coalition of the moderate Arab willing who will some day stand up to them."

Palestinian affairs correspondent Avi Issacharoff wrote in the independent, left-leaning Ha'aretz: "The two leaders [PM Olmert and PA Chairman Abu Mazen] find it important to present their talks, which have become to be in fact diplomatic negotiation, as especially positive even if the chances of reaching a permanent agreement are not good."

Block Quotes:

II. "Ehud and Ehud to the Summit"

Senior veteran columnist Yoel Marcus wrote in the independent, left-leaning Ha'aretz (08/07): "The journalists who accompanied Condoleezza Rice [in her visit to the ME] were vague on the achievements of her short visit. Granted, in half a day here and half a day there, you can't organize an international summit. President George W. Bush came up with his two-state vision five years ago, but in practice, he hasn't done a thing to make it happen.... Bush is pushing for an international summit of moderate countries in the region that are in favor of two democratic states living in peace and security, saying no to violence and recognizing Israel's right to exist.... A conference that intends to discuss a permanent agreement has to prepare everything in advance, down to the last detail.... Is the current government of Israel prepared for the Bush conference?.... Is a prime minister who is up to his neck in criminal investigations, and whose popularity in the opinion polls has dropped below 10 percent, capable of reaching an agreement that involves territorial concessions and dismantling settlements?.... If Olmert survives the Winograd report and the criminal inquiries against him without elections, the two of them [Ehud PM Olmert and MOD Barak] can work things out and attend the international summit together. Better to have Ehud and Ehud at the conference table than Benjamin Netanyahu and Moshe Feiglin."

III. "Nothing but a Sideshow"

Diplomatic correspondent Herb Keinon wrote in the conservative, independent Jerusalem Post (08/07): "On the surface, it all looks so very important.... When Olmert and Abbas sat down in Jericho's Intercontinental Hotel ... they were talking about issues that effect us deeply.... But these issues, as fundamental as they might be, must be seen within the greater context of the overall tumult in the Middle East and the US effort to do something -- anything -- to contain it.... The US needs progress here to try and consolidate a moderate Arab coalition as a counterbalance to the threatening Shi'ite crescent. And there is no better way to breathe life into this moderate coalition then to show diplomatic progress on the Israeli-Palestinian front. The US needs a regional meeting in November no less, and probably far more, than either the Israelis or the Palestinians. The US needs this meeting to show the Iranians that there is a coalition of the moderate Arab willing who will some day stand up to them. The US, at some point, will leave Iraq, but it is unlikely to do so unless it has assurances that there is a coalition of states that will not just let Iran march into the breach. It is in the US's interests to cobble this coalition together as soon as possible.... We're important, but we're just one brick in the anti-Iranian coalition the Americans want to form.... Israel and the Palestinians, or rather a possible Israeli-Palestinian agreement, are the glue the US has in mind to stick that coalition together."

III. "Abbas Needs Success"

Palestinian affairs correspondent Avi Issacharoff wrote in the independent, left-leaning Ha'aretz (08/07): "Fruitless negotiations with Israel might push him [PA Chairman Abbas] to renew talks with Hamas leaders Khaled Mashal and Ismail Haniyeh. Israel understands the chairman's sensitive situation.... The two leaders find it important to present their talks, which have become to be in fact diplomatic negotiation, as especially positive even if the chance of reaching a permanent agreement are not good. Both parties are concerned about a joint enemy -- Hamas --; both face political rivals from home that challenge them.... Successful negotiations with a framework agreement on establishing a Palestinian state would protect Abu Mazen from the constant criticism by Hamas that he cannot bring change or present a diplomatic horizon in his talks with the Israelis."

JONES